DEPARTMENT OF INFORMATION RESOURCES
Open Board Meeting
June 2, 2011
9:30 a.m.
300 W. 15th Street, Room 103
William P. Clements Building
Austin, Texas 78701

CALL TO ORDER: Board Chair Charles Bacarisse called the meeting to order at 9:33 a.m.

I. ROLL CALL AND WITNESS REGISTRATION: Board Secretary, Pat Koller, called the roll.

Members present:
Chairman Charles Bacarisse
Ramon Baez
Wanda Rohm
Rosemary Martinez
Richard Moore
Phillip Keith Morrow
Robert Pickering
Mike Geeslin – Ex-Officio
Bobby Halfmann – Ex-Officio
Steve Simmons – Ex-Officio

II. Approve minutes from February 10, 2011, Board meeting
A motion to approve the minutes of the February 10, 2011, DIR Board Meeting was made by Mr. Morrow and seconded by Mr. Baez. Motion carried unanimously.

At 9:35 a.m. Chairman Bacarisse announced that the Board would recess the open portion of the meeting to go into executive session pursuant to Section 551.071, Government Code, to consult with its attorney. At 10:25 a.m. Chairman Bacarisse called the meeting to order again and announced that a quorum was present. Chairman Bacarisse stated that while in executive session the Board did not vote, take any final action or make any decision.

III. Executive Director's Report
Ms. Karen Robinson welcomed new member Wanda Rohm to the DIR Board.   She discussed the mission of DIR and its 5 primary objectives. She thanked her staff for all their support and thanked the Board for their participation particularly during the last several months. She stated that we have come a long way with fixing the DCS program and is confident that we on the right track by reprocuring all of the DCS services. She thanked the reprocurement and operations teams for all their hard work. With the Tex-AN program we have three contracts awarded through the reprocurement, and the Texas.gov team has received multiple awards for excellence in the last quarter. She thanked the Tex-AN and Texas.gov teams and also asked that our NIC partners in attendance stand to be recognized. She indicated that Doug Holt would be introducing us to the G2G initiative during his presentation. Ms. Robinson told the Board that prior to the completion of the Sunset Review DIR commissioned Gartner to do a review of the

ICT program. Gartner found that DIR ranked high on the maturity level, and made 5 key recommendations for DIR to consider improving and strengthening the program.

Ms. Robinson provided a brief legislative update noting that none of the bills affecting DIR have been signed by the Governor yet. The most significant is our Sunset Bill HB 2499. When that bill becomes law on 9/1/11, the ICT program will move to CPA, new responsibilities and requirements will be placed on our Board, a couple of agencies will be exempt from DCS, and DIR will be eligible again for Sunset Review in 6 years. Ms. Robinson also discussed other bills that are waiting for signature which impact DIR and promised a full update on all as they move through the next steps in the process.

Ms. Robinson announced Martin Zelinsky's transition to permanent General Counsel, the appointment of Nick Villalpando to Interim Chief Financial Officer, and introduced a new employee.

IV. Finance Report
Rosemary Martinez reported on the Finance and Audit Subcommittee which consists of Ms. Martinez and Mr. Moore and met on 6/1/11. She stated that Mr. Andrew Dimas, DIR's Internal Auditor, provided a update on the audit plan for this year and that we should have reports at the next Board Meeting. He has been developing the 2012 Audit Plan and has purchased some audit software and is training on it at this time. Andy will provide an update on the plan at the next meeting. Mr. Moore stated that all have agreed to meet on 6/27 for a Budget Workshop.

Ms. Reed presented the financial statements as of the end of FY Q2 (February). She stated that the mid-year analysis resulted in revenue variances in two programs – ICT trending $4.7 million over proposed revenue and Tex-AN trending $4.4 million under projected revenue – and discussed the reasons behind each. She indicated there were Budget Amendments to reflect the changes. Mr. Geeslin had a question which Ms. Reed indicated would be answered during the ICT report.   Ms. Reed presented three Budget Amendments to the Board. The first amendment reflects changes in ICT revenue with a net impact to the budget of zero, the second amendment relates to the changes in the Tex-AN revenue, and the third amendment revises a budget category with a net impact to the budget of zero.   She also presented Budget Amendment 4 for reporting purposes only.   *A motion to approve Budget Amendments #1, #2, and #3 was made by Mr Moore and seconded by Ms. Martinez. Motion carried unanimously.* Ms. Reed and Mr. Bacarisse thanked Ms. Martinez and Mr. Moore for serving on the Audit and Finance Subcommittee.   Mr. Bacarisse also thanked Ms. Reed for all her work and also extended his thanks to the rest of her staff. He mentioned that she will be retiring soon and the he hoped we had her for at least one more meeting.

V. Rules Action Items
Mr. Martin Zelinsky indicated that he would present the first two rules and that Cynthia Kreider would present the remaining four rules. He indicated that he is continuing with the rules review process and recently met with the Texas Register to get information on best practices.

Mr. Zelinsky asked the Board to authorize staff to publish proposed amendments to 1 T.A.C., Chapter 203, relating to *Management of Electronic Transactions and Signed Records*. *Mr. Morrow made the motion to authorize actions as requested. Mr. Pickering seconded the motion. Motion carried unanimously.*

Mr. Zelinsky asked the Board to authorize staff to issue an order adopting the amendment of 1 T.A.C., Chapter 204, *Interagency Contracts for Information Resources Technologies*, without changes, and authorizing publication of the adoption of the amended rule in the *Texas Register*. *Mr. Pickering made the motion to authorize actions as requested. Mr. Baez seconded the motion. Motion carried unanimously.*

Ms. Kreider asked the Board to authorize staff to publish notice in the *Texas Register* of the proposed amendment of 1. T.A.C. Chapter 201, concerning *Planning and Management of Information Resources Technologies*; of the proposed new rules of 1 T.A.C. 205, concerning *Geographical Information*; of the proposed repeal of 1 T.A.C. Chapter 208, concerning *Communications Wiring Standards*; and, of the proposed repeal of 1 T.A.C. Chapter 209, concerning *Minimum Standards for Meetings Held by Videoconference*. Ms. Rohm had a general question which Ms. Kreider answered. Mr. Geeslin had questions concerning Chapter 201.4 concerning vendors and a potential conflict of interest. Ms. Kreider asked for time to research. Mr. Geeslin also had questions concerning web and social media communications being included. Ms. Kreider indicated that change can be made. Mr. Moore indicated he would prefer that we add more information as opposed to pointing a vendor to another site. *Mr. Moore made the motion to authorize actions as requested. Mr. Moore seconded the motion. Motion carried unanimously.*

VI. Data Center Services
Robert Pickering reported on the DCS Remediation Subcommittee which consists of Mr. Morrow, Mr. Baez, Mr. Moore and Mr. Pickering. Mr. Pickering stated that we are continuing to make progress with multi-sourcing services integrator and service component provider reprocurement. He stated that the vendor clarification sessions are completed. A new phase called integration sessions will run through June 24th. Mr. Pickering stated we are on time, and that this is a good procurement with good participation. Mr. Pickering also said that the whole process of replacement of servers has stepped up quite a bit and that we are making progress. Mr. Bacarisse cautioned against any discussion that is part of an open procurement at the advice of Mr. Zelinsky.

Mr. Ed Swedberg presented an overview of the Data Center Services. He stated progress is being made on parallel paths in both operations and procurement status. Service delivery has improved since the last board meeting, but is still unacceptable, and there has been some progress in the backlog of service requests but not enough. Mr. Geeslin asked how these are reported – are the tools in possession of IBM but validated by DIR? He wonders how many are redefined and put back in the queue. Mr. Swedberg stated he will have to research available data. Mr. Moore asked that Mr. Swedberg and the Governance group check and see if some activities can be moved to the agencies so they don't end up becoming service requests, allowing us to focus on a higher level. Mr. Swedberg indicated he would check into it. Mr. Baez asked if we could become more standardized as we consolidate so we can avoid bottlenecking?

Mr. Swedberg moved to the projects chart which shows that the project team continues to make progress on building new servers. Mr. Simmons feels that this chart indicates that IBM is doing a good job and he wants everyone to understand they are not. There was some discussion and Mr. Bacarisse stated that these numbers do not reference a "GPA". Mr. Swedberg discussed the Mainframe Disaster Recovery, Transformation, Customer Satisfaction Survey, Governance, and Procurement Status. Mr. Morrow asked if the DCS staff turnover had improved. Mr. Swedberg stated that it had stabilized, primarily due to the fact that the termination assistance event notification provided under the contract requires IBM to retain staff members on this account. Mr. Moore asked if in Disaster Recovery in DCS if there exists a hierarchy of critical

applications. Mr. Swedberg stated yes. Mr. Moore stated that we should look into non mainframe apps.Mr. Moore also asked if Mr. Swedberg was confident in the current DR planning and support provided by IBM. Mr. Swedberg stated that he was not confident.

VII. Texas.gov
Ramon Baez reported on the Texas.gov Subcommittee which consists of Mr. Baez, Mr. Moore and Mr. Simmons. He stated they have had several meetings. At the first meeting on April 29 there was a level set meeting to help all understand the history of the program. At that time it was agreed to include NIC in future meetings. There was much dialog on TxMart and how it ties in. The second meeting was held on May 20. There was a lot of discussion regarding the authority in place and T.A.C. conformity and how we protect agencies using the portal. There was also discussion on TxNet and TxPay and fees. They plan to meet monthly going forward.

Mr. Doug Holt presented the Texas.gov Update which included Key Objectives and Key FY11 Performance Measure including Cumulative State Revenue Share, Customer Satisfaction, Transactions, and Cumulative Texas.gov visits.

Mr. Holt presented information on new Texas.gov fees which are all oriented around a new G2G channel – Government to Government. He discussed TxPay which is a configurable payment interface and the proposed fees. There was some discussion among the board members about the fees and should they be lower so as to be an incentive for people to use Texas.gov. Mr. Holt explained that many of the fees are set by the legislature and it is not up to us. Mr. Holt asked the Board to approve the new fees for TxPay. *Mr. Baez made the motion to approve the new fees. Mr. Moore seconded the motion. Motion carried unanimously.*

Mr. Holt presented information on TxNet which is a comprehensive Enterprise Internet solution offered exclusively to state agencies and local governments. He presented various TxNet fee model examples to the Board. There was discussion among the Board concerning liability for DIR and security for the websites. Mr. Holt had Mr. Todd Kimbriel answer the Board's questions to their satisfaction. Mr. Holt asked the Board to approve the new fees for TxNet. *Mr. Morrow made the motion to approve the new fees. Mr. Baez seconded the motion. Motion carried unanimously.*

Mr. Holt presented information on TxMart which is a self service model and also presented the TxMart fee model and Authority and Benefits. Mr. Moore had questions and concerns about authority. Mr. Zelinsky will get back to Mr. Moore about his concerns. Mr. Holt then discussed the various implementation stages. Mr. Holt asked the Board to approve the new fees for TxMart. *Mr. Morrow made the motion to approve the new fees. Mr. Baez seconded the motion. Motion carried unanimously.*

VIII. Communications Technology Services
Richard Moore reported on the Tex-AN Subcommittee which consists of Mr. Pickering and Mr. Moore. Mr. Moore stated that this was a relatively new group dealing with the reprocurement of Tex-AN services, and that things were going very well. The group has agreed to meet via Conference Bridge so the sub-committee can be fully engaged in the procurement activities.
Mr. Holt presented the Communications Technology Services Update, including Key Objectives, Key Indicators, CTS Service Delivery Solution, and CTS Automation Program Roadmap.

IX. Information Security
Mr. Holt presented the Information Security Update which included 2011 Key Objectives, FY11 Performance Measures including Total Vulnerability Assessments, Controlled Penetration Tests Delivered, Web Application Vulnerability Scans, and Security Training Hours Delivered.

Mr. Bacarisse asked if in the earlier situation with CPA if we were asked for assistance. Mr. Holt responded that we were not asked for help but for an opinion about T.A.C. 202 which we provided. He stated we reached out to CPA and offered assistance, but that CPA staff turned us down. He stated that CPA notified us about the situation after the media had been informed.

X. ICT Cooperative Contracts Program Update
Ms. Cindy Reed provided an update of the ICT Cooperative Contracts Program including ICT Performance Metrics, detailing Sales and Cost Savings, Sales by Channel and Cost Savings by Channel; Key Metric Drivers, and Product Trends and New Sourcing Opportunities. She also discussed the 2011 Power to Purchase Expo stating it was a success again this year. Ms. Robinson thanked the Pubs staff for all their help in preparing the materials for the Expo.

At this time Mr. Steve Simmons introduced Mr. Louis Carr who is the new CIO for TXDOT and indicated going forward Louis would take his place on the DIR Board.

At 12:45 p.m. Chairman Bacarisse announced that the Board would recess the open portion of the meeting to go into executive session pursuant to Section 551.071, Government Code, to consult with its attorney, and pursuant to Section 551.089, Government Code, to deliberate certain information resources technology security matters. At 1:34 p.m. Chairman Bacarisse called the meeting to order again and announced that a quorum was present. Chairman Bacarisse stated that while in executive session the Board did not vote, take any final action or make any decision.

XI. Public Testimony
There was no public testimony.

XII. Adjournment
Mr. Morrow made the motion to adjourn. Mr. Moore seconded the motion. Motion carried unanimously. Chairman Bacarisse adjourned the meeting at 1:35 p.m.